

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
May 6, 2014**

Members Present:

Diana Doutre
Lyle Holmgren
Jeff Reese
Bret Rohde
Byron Wood
Roger Fridal, Mayor
Shawn Warnke, City Manager
Darlene S. Hess, Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the May 6, 2014 City Council Workshop to order at 6:00 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, Fire Chief Steve Batis, Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, Police Chief David Nance, and Food Pantry Director Cathy Newman. Also in attendance was Zach LeFevre representing the Recreation Department.

1. Review of agenda items on the 7:00 p.m. Council Meeting:

The Council reviewed the May 6, 2014 Agenda with the following items being discussed in more detail:

“Findings and Decision” for revoking business license. City Attorney Dustin Ericson joined the Council discussion by phone. He explained that the “Findings and Decision” document in the packets is a summary of the hearing for The Blue Sphynx. It states that the business license for The Blue Sphynx was revoked. If there is any legal action moving forward the District Judge would use the document as a basis for an appeal.

Motion by Councilmember Holmgren to move to Closed Session for the purpose of discussing pending or reasonably imminent litigation. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde – aye, and Councilmember Wood - aye. Motion approved.

The Council moved into closed session at 6:15 p.m.

3. **Closed session to discuss pending or reasonably imminent litigation**

Motion by Councilmember Wood to return to open meeting. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde – aye, and Councilmember Wood - aye. Motion approved.

The Council returned to open session at 6:21 p.m.

Resolution No. 14-23 - Assignment, Assumption and Release Agreement. Manager Warnke explained that years ago Tremonton City participated in an affordable housing project called the Bear River Crown Homes located at approximately 400 West and 300 North. The affordable housing project was structured to allow low to moderate income individuals or families to lease a single-family detached house for a 15 year period and to allow a portion of their lease payments to go towards the purchase price of the home after the 15 year period had lapsed. Tremonton City's participation was associated with allowing the project to be built on the City's old Public Works property and receiving in return a Promissory Note payable for the purchase of the property in 15 years when the eight homes were sold for the benefit of low to moderate income individuals or families.

The 15 year period has come and gone and as it turns out none of the eight individuals or families (tenants) that leased the homes decided to buy the homes. As such the eight homes in the Bear River CROWN project are vacant. Utah Housing Corporation holds an alternate right (alternate to the tenants) to purchase the homes in the event a tenant does not purchase. The deed restriction on the homes permits this purchase. Utah Housing Corporation will purchase the eight homes and resell the units as affordable housing.

Manager Warnke explained that the Bear River Association of Governments (BRAG) provided Tremonton City with an early payoff of the Promissory Note owed to the City through the use of targeted housing funds to be generated by the West Liberty Foods EDA, which are restricted for the benefit of low to moderate income individuals or families. Tremonton City recognized the proceeds for the early payoff for the Promissory Notes in the City's General Fund or Capital Projects Fund (because the Public Works property was an asset attributed to the General Fund).

Utah Housing Corporation (UHC) would like to purchase the homes. The advance payment of the Promissory Note paid to Tremonton from BRAG causes some problems in the closeout of the Bear River CROWN project. Utah Housing Corporation is not acknowledging that the Promissory Note owed to Tremonton City has been paid and are following the course of action to close out the Bear River CROWN project as recorded in the documents associated with this project. Specifically, Utah Housing Corporation is treating the situation as if Bear River Crown Homes still owes Tremonton City for the Promissory Note.

City Attorney Ericson explained that the assignment, assumption and release agreement will allow the title owner of the property, Bear River Crown, LLC, to sell the properties to the UHC. The UHC can then turn around and sell them individually. The agreement will release Bear River Crown, LLC from the obligations associating with repaying the City. The RDA would then be repaid for the property where the Public Works was located. The UHC plans on repaying the City as the homes are sold individually. Tremonton is a subordinate lender, but the property rights will still be protected. The subordinate lending note will move forward.

Councilmember Holmgren asked about the risks of being a subordinate lender. City Attorney Ericson stated that the City will be a subordinate lender whether the Agreement is signed or not.

The Agreement puts the property in the hands of the UHC. The UHC is in a better position to market and sell the eight individual homes.

Resolution No. 14-20 – Wall Mural Artist Agreement. Manager Warnke showed the proposed image, a photo of a Main Street image in the 1920's that included a welcome sign. Mr. Jason Nessen would emphasize the welcome sign in his rendering of the photo; it would be done in sepia. The estimate for the mural to be painted on the east side of the building housing the museum is \$6K. The wall is 25' at the highest and 85' in length. Mr. Nessen noted that some of the mortar is not in good shape. The wall might need to be fixed before painting the mural. The City has \$8,100 in grant funds that have been awarded. The mural on the cook shack at North Park would be \$2,500 on one side, and \$4,500 for all sides included in the mural. The mural at North Park would be in color. The City would need to provide the paint. Scaffolding would be needed to complete the mural at the museum. The City has one ten foot section of scaffolding. Councilmember Reese stated that the mural on the museum is more important than the mural on the cook shack, as the museum is seen as people drive into town. Mr. Nessen will discuss his ideas for the cook shack tonight at City Council. One idea was to honor people from Tremonton who have excelled, such as L.J. Sylvester, Marlon Shirley, and the high school softball team. Another idea was activities at the Park. The City currently has two murals, and a couple of private murals. Manager Warnke plans on submitting a grant to Rocky Mountain Power and Union Pacific. ATK told George Ann Batis that they would donate \$1,200 towards a mural with a space shuttle theme.

One of the existing awarded grants envisions that the mural will be painted by June 30th. Manager Warnke believes the adjoining owner next to the museum is prepared to sign an access easement. The Council needs to determine how big the mural will be on the museum wall and how many sides of the cook shack to paint. It was discussed that it might be best to only paint the north side of the cook shack, and if there is money left over to paint the other sides. Councilmember Holmgren asked if Mr. Nessen could do a drawing showing how the cook shack mural would look if painted on one side versus all sides. Mayor Fridal stated that Mr. Nessen said it would take him about two weeks to paint the mural on the museum wall.

Resolution No. 14-21. Manager Warnke stated that the contract for fire services has been approved by the County and the Town of Elwood, and is awaiting approval from the Tremonton City Council. The cost per unit that Tremonton City would receive has stayed the same.

Resolution No. 14-22. This is an agreement with the Box Elder School District for rental of facilities for the City's recreation programs. It is essentially staying the same as the current arrangement. Manager Warnke noted that the agreement allows the school district to adjust costs as needed.

Reconfiguring property lines. There are three parcels that would be affected. Manager Warnke noted that they are part of a recorded subdivision. It is suggested to vacate the subdivision and re-plat the lines. Manager Warnke described the parcels to the Council. Rocky Mountain Power's property is a 4.5 acre L-shaped parcel which angles and borders two sides of a square 4.5 acre storm drain basin owned by Tremonton City. Manager Warnke proposes that the storm drain lot be stretched out along the property line that parallels Interstate 15. This would

change the storm drain basin into a landscaped buffer which is required by City Code. This reconfiguration would also make the rest of the land available for sale.

The storm drain basin would continue to be owned by Tremonton City. The City has entered into a billboard lease agreement with Yesco. The lease requires that the City give first right of refusal to Yesco if the City decides to sell the property where the billboards are located. Reconfiguring the storm drain basin to parallel Interstate 15 where the billboards are located will allow Tremonton to retain ownership of the property.

Rocky Mountain Power has expressed an interest in the realignment of their property. They feel a rectangular shape would be more developable, but local (in Utah) corporate officials are the ones who will consider the reconfiguration of their property and will notify Tremonton in about two weeks.

UTOPIA Operational Shortfall. Manager Warnke reported that he has followed up on some of the questions that were asked at the last UTOPIA discussion. One question was related to residents who had received customer service from UTOPIA. In checking, there were approximately five hundred trouble tickets indicating service provided by UTOPIA to Tremonton residents in the past year.

The amounts requested by UTOPIA as Tremonton's portion of the operational shortfall is \$7,800 for January, February, and March; and \$5,500 for April, May, and June. The difference is that UTOPIA is requesting more money from UIA and UTOPIA is trying to keep the requested amount as low as possible. The total for six months adds up to about up to about \$40K.

Councilmember Wood commented that if UTOPIA would settle the law suit they would have enough money to pay off their operational shortfall and the member cities wouldn't have to worry about this. Mayor Fridal responded that the lawsuit receivables will go to the UIA cities and Tremonton didn't vote to be part of UIA. The lawsuit should be settled in July.

2. Presentation on the Advisory Committee's recommendation regarding selecting a Branding Consultant from the Tremonton City & Tremonton City Redevelopment

Agency Request for Statement of Qualifications for Branding Services

| Due to time restraints, this item was not discussed.

The meeting adjourned at 7:00 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the May 6, 2014 City Council Meeting to order at 7:07 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, Fire Chief

Steve Batis, Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, Police Chief David Nance, and Food Pantry Director Cathy Newman. Also in attendance was Zach LeFevre representing the Recreation Department.

1. Opening Ceremony:

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was offered by Manager Warnke and the Pledge of Allegiance was led by Councilmember Holmgren.

2. Approval of Agenda:

Motion by Councilmember Doutre to approve the agenda of May 6, 2014. Councilmember Reese asked that agenda item 7.1. be tabled for further discussion. **Councilmember Doutre amended the motion. Motion by Councilmember Doutre to approve the agenda with tabling item 7.1.** Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

3. Approval of minutes – April 1, 2014, April 8, 2014 and April 15, 2014

Motion by Councilmember Reese to approve the minutes of April 1, 2014, April 8, 2014 and April 15, 2014. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

4. Introduction of guests

Mayor Fridal welcomed Connie Archibald representing the Box Elder School District and the Chamber of Commerce, Darren Phelps, candidate for Box Elder County Sheriff. Jamie Madsen representing Key Bank and all others in attendance.

5. Public comments: Comments limited to three minutes:

There were no public comments.

6. Request(s) to be on the agenda:

a. Key Bank – Day of Service – Jamie Madsen

Ms. Madsen told the Council that once a year the employees of Key Bank do a Neighbors Make a Difference day of service where the employees donate their services to various projects. Last year the Key Bank employees went to the Riverview Cemetery and did some clean-up. They enjoyed that very much.

Key Bank is donating \$250 to Tremonton City for improvements to the Riverview

Cemetery. In talking with Director Fulgham, it was decided to purchase some flowers and then the Key Bank volunteers will plant them on May 14th between 1:00 p.m. and 5:00 p.m. Anyone is welcome to help.

7. New Council Business:

- a. Discussion and consideration of approving the March 2014 Warrant Register.

Motion by Councilmember Wood to approve the March 2014 Warrant Register. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- b. Discussion and consideration of approving the March 2014 Financial Statement.

Motion by Councilmember Holmgren to approve the March 2014 Financial Statement. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- c. Discussion and consideration of approving “Findings and Decision” for the Hearing and revoking of business license for The Blue Sphynx which occurred on April 8, 2014

Motion by Councilmember Rohde to approve the “Findings and Decision” for the Hearing and revoking of the business license for The Blue Sphynx. Councilmember Rohde added that he felt the Council should go forward with this. As he read the “Findings and Decision,” he felt the City Attorney had addressed everything as accurately as he thought it should be. Motion seconded by Councilmember Wood. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- d. Discussion and consideration of approving Resolution No. 14-20 a Wall Mural Artist Professional Services Agreement between Jason Nessen and Tremonton City to paint wall murals on the Bear River Valley Museum located at 11 E. Main Street and on the cook shack at North Park located at the intersection of 100 West and 600 North

Councilmember Rohde suggested that it would be nice for the whole side of the Museum Building to be painted – not necessarily with the mural, but so that the whole side looks finished and clean.

Councilmember Holmgren asked if it would be possible to look at a few sketches before a final decision is made. He mentioned the air conditioning unit on the side of the building. The mural on the Museum Building should be the primary focus and enough time and effort should be taken to make it as nice as possible.

Mr. Nessen said that he can stretch the image to make it fit the wall.

Councilmember Dautre asked if it would be possible to mirror the image and flip it around to better fit the space. Councilmember Wood commented that if that were done, it would show coming into the town from the wrong direction. Mr. Nessen responded that, because the right side of the image is really heavy with the taller building, he could extend the left side and add cars and buildings that don't show in the photograph. That way it would fit better.

Councilmember Wood asked Mr. Nessen if he was still concerned that all one can see is foliage when driving into town and approaching the mural. Mr. Nessen said that he was concerned at first, but he does like Manager Warnke's idea that the murals in the City don't have to jump out and grab everybody that comes by. It is fun to have them a little bit off the beaten path. For people who want to come see the mural's specifically, there will be a route and it will be fun to drive around and see them.

Councilmember Rohde asked if the people who own the big building just west of Midland Square were open to a mural. Manager Warnke replied that they are willing to a mural. He has had conversations with several property owners. There is no perfect wall; each wall has its own challenges. Part of it is trying to find a wall that fits the projection of the image and the context. The owner of the building mentioned is willing to have a mural on that wall, but there is a lot of parking that occurs in front of that wall.

Mr. Nessen stated that he thinks the entire space on the wall can be filled without going over a price of \$7,000. The only thing that could make it go up significantly would be if the mural were to be done in full color. The Council agreed that they would like the mural done in sepia tones.

Councilmember Dautre stated that the Council will want color on the mural at the North Park. It was discussed that the entire north wall of the Cook Shack will be done.

Motion by Councilmember Holmgren to adopt Resolution No. 14-20 and give Jason Nessen the authority to go ahead and paint the whole wall on the Museum Building [7,000] and the north wall on the Cook Shack at North Park [2,500]. Motion seconded by Councilmember Reese. Manager Warnke mentioned that this will bring the cost to \$9,500 as the quote to do the North Park wall in color was \$2,500. Roll Call Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of adopting Resolution No. 14-21 approving a contract for fire protection services between Tremonton City, Box Elder County, and the Town of Elwood

Motion by Councilmember Reese to adopt Resolution No. 14-21. Motion seconded by Councilmember Dautre. Roll Call Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- f. Discussion and consideration of adopting Resolution No. 14-22 adopting the

Tremonton Recreation- Box Elder School District Joint Agreement for Use and Rental of District Facilities

Motion by Councilmember Holmgren to adopt Resolution No. 14-22. Motion seconded by Councilmember Reese. Roll Call Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- g. Discussion and consideration of adopting Resolution No. 14-23 adopting an Assignment, Assumption and Release Agreement between Bear River CROWN, LLC a Utah limited liability company (the “Seller”), Utah Housing Corporation, a public corporation of the State of Utah, formerly known as Utah Housing Finance Agency (the “Buyer,” the “Senior Lender” “Subordinate Lenders” and “UHC”), the Tremonton City Corporation and Bear River Association of Governments, political sub-divisions of the State of Utah (the “Subordinate Lenders”)

Councilmember Holmgren said that the only question he had was the City’s position as a subordinate, but the Council has worked through that, and it puts the City in a stronger position.

Motion by Councilmember Wood to adopt Resolution No. 14-23. Motion seconded by Councilmember Holmgren. Roll Call Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- h. Discussion and consideration of authorizing City staff to move forward with exploring the reconfiguring of property lines between the following parcels: 05-171-0037 owned by Tremonton City (22.52 acres of vacant land); 05-171-0036 owned by Tremonton City (4.5 acres of land used as a storm drain basin); and 05-171-0035 owned by Rocky Mountain Power (4.5 acres of vacant land). All parcels are located on 2000 West at approximately 100 North and are generally a part of the Bear River Health Department Subdivision

Motion by Councilmember Dautre to authorize the City Staff to move forward with exploring the reconfiguring of these property lines. Motion seconded by Councilmember Rohde. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- i. Discussion and consideration of Tremonton City paying a portion of UTOPIA operational shortfall and directing City Staff to prepare a budget amendment to include a contribution to UTOPIA for operational shortfall

Councilmember Rohde asked if this was the six month, \$40K payment to UTOPIA. Mayor Fridal said that it is. It will be \$7,808 for three months and \$5,546 for three months.

Manager Warnke explained that this is not part of the current Budget so the Budget will need to be amended. What is being asked tonight is for direction. Councilmember Wood stated that he is still not in favor of paying any shortfall.

He still thinks that when the lawsuit gets settled they can get reimbursed at that time.

Manager Warnke said that about three years ago Tremonton was asked to consider paying for litigation charges. The City hasn't been paying for litigation. It really isn't known if the status of the lawsuit is to the point where there could be a Resolution in the next couple of months. The issue that they have currently is that only four of the eleven cities are paying for the operational shortfall and they can't sustain everyone's share of the operational shortfall.

Manager Warnke continued that the thought is that if proceeds from the lawsuit were realized, that those who participated in funding it would have the decision as to how these funds were used. It would probably include paying the cities back first and foremost for all the litigation charges they have funded.

Councilmember Wood said that that is his point. Tremonton wasn't involved with the lawsuit; the City didn't provide any funds for that, and Tremonton isn't in UIA. If Tremonton pays money now, the City will be last to get reimbursed.

Manager Warnke pointed out that what is being discussed is the operational shortfall which is current ongoing operations. Councilmember Wood replied that, UIA is making a profit. Manager Warnke clarified that UIA is making money, but the money they are making is going to UTOPIA for the service agreement. This money, in part, is going towards the operational shortfall.

Manager Warnke explained UIA was created so that those UTOPIA cities who joined UIA could continue to build out the network. Specifically, UIA cities were able to bond and have capital to build out the network in their cities. The way that UIA is connected to UTOPIA is that UTOPIA had a network built out in areas. Instead of constructing redundant lines, UIA entered into an agreement with UTOPIA where they use UTOPIA's network. In doing so, they pay UTOPIA \$17M, over the life of their agreement, to use portions of UTOPIA's network. Then, for each subscriber, UIA pays UTOPIA roughly five dollars. UTOPIA has all the operations on their side and the UIA users are supported by the UTOPIA staff. There is also \$1.20 that is paid UIA pays UTOPIA for network maintenance expense.

UIA has been profitable. They have made enough money to pay their bond payments as they come due and have also made money to pay their obligations to UTOPIA.

There still are operations going on within UTOPIA. Last year UTOPIA responded to 582 service calls for Tremonton City residents. That is what they are asking Tremonton to fund.

Councilmember Holmgren asked what the ramifications will be if the Council were to choose to not go ahead with this proposal and not pay the \$40K. Mayor Fridal responded that, if UTOPIA goes at their present rate, they will be out of operation in July. Right now there have been four cities that have been paying the operational shortfall. They notice those who are not participating. The odds are that, if Tremonton doesn't participate, there will be an attempt to force

participation in the operational shortfall.

If the UTOPIA cities work towards finalizing an agreement with Macquarie not only will the City have to operate UTOPIA through June, but until Milestone #4 is reached and when Macquarie takes over UTOPIA. If Tremonton chooses not to participate and UTOPIA doesn't survive past July, the Macquarie deal isn't going to happen. However, the moment Macquarie signs the agreement; the operational expenses are the responsibility of Macquarie.

If Macquarie doesn't take over, and the UTOPIA cities let the network go dark, Laura Lewis, Financial Advisor for UTOPIA and many of the UTOPIA cities, estimates that the participating city's costs will increase by about 60% and the City will be paying a lot of money for absolutely nothing.

Councilmember Wood said that, if UTOPIA has operational money through July, he would like to wait until closer to July to begin participating. Councilmember Reese agreed. He does not want Tremonton to be the fifth city to participate. He wants to be the eleventh city. Tremonton is a drop in the bucket compared to all the other participating cities and based upon the way they have handled things in the past, Councilmember Reese said that he has no faith.

Councilmember Holmgren asked if any other cities, besides the four cities that have been paying the operational costs, have come forward. Mayor Fridal replied that he thinks every other one of the member cities have opted to participate except for Payson and Tremonton. Councilmember Reese said that if that is the case he may reconsider, but he would like to see the list.

Councilmember Reese expressed his dissatisfaction with the way Tremonton has been treated. He told of an individual that has everything in place but UTOPIA has never reconnected him. Manager Warnke approached UTOPIA and they came and looked at it and agreed that everything was good but said that it would cost another (\$1,000 to \$2,300) to reconnect him as there needed to be updated equipment purchased associated with the reconnection.. Tremonton is not getting the right answers.

Councilmember Rohde commented that the Council needs to see the list of all the other cities that have agreed to participate. If all the others are heading in this direction, Tremonton needs to participate, as well.

Motion by Councilmember Reese to table Agenda Item 7.i. until [the Council] gets some further information. Motion seconded by Councilmember Wood. Vote: Councilmember Dautre - aye, Councilmember Holmgren - no, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- j. Discussion and consideration of awarding a bid and authorizing the purchase of a used or new forklift for the Tremonton Community Food Pantry

Director Newman told the Council that the forklift at the Food Pantry is in desperate need of replacement. It is over thirty years old and won't always start.

A company was brought in to look at it and they charged the City four-hundred plus dollars for a half-hour visit, but then the forklift wouldn't start again. The plan is to get rid of both of the Food Pantry forklifts and buy a used or new one.

Director Fulgham stated that in April, when the Budget was opened, \$20K was added for the purchase of a used forklift, but when they went to bid the forklift this time, there were very few used forklifts available and they ranged anywhere from \$32K for an electric, \$10K for a seven year old LP gas forklift, and \$9K for a twelve year old LP gas. They then looked at new forklifts. A new Nissan LP gas forklift can be obtained for \$20,900 – a little bit more than what was budgeted. It is proposed that a new Nissan LP gas forklift be purchased for the Food Pantry.

Motion by Councilmember Doutre to authorize the purchase of a new forklift for the Tremonton Food Pantry. Motion seconded by Councilmember Reese. Councilmember Reese thanked Director Newman for all her hard work. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- k. Discussion and consideration of declaring a Yale, Stand-Up Forklift with 4,120 hours and a Komatsu, Sit-down Forklift with 5,635 hours, surplus and authorizing City staff to dispose of the aforementioned forklifts for the benefit of the City

Director Newman stated that this would declare the two old Food Pantry forklifts as surplus and authorize the City Staff to dispose of them. There was discussion about whether to keep either of the forklifts for the Fire Department, but they both have operational problems.

Motion by Councilmember Wood to dispose of both of those units. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- l. Discussion and consideration of adopting Resolution No. 14-24 approving an acquisition agreement between Holmgren Properties LLC and Tremonton City for land, conservation easement and trail easement on parcel 05-042-0147 (which may include a portion from parcel 05-042-0111) located in the Malad River Bottoms and generally near 300 East and 600 North for the future development of a trail and trailhead

This agenda item was tabled.

- m. Discussion and consideration of the City Council authorizing the use of already appropriated funds, within Recreation Fund 25-40 to hire a summer intern to assist with facilitating programming/events

Councilmember Doutre asked if there is someone available that has already been used in the Recreation Department. Manager Warnke responded that someone has been identified who the Recreation Department believes could do the job and

do it well. This individual is currently enrolled in Recreation at USU. Part of the course requires that an internship be done. Part of the City's FY 2014-2015 budgeted Recreation funding would be used. The balance would come out of this year's budget. There is about \$1K that is unfunded.

Motion by Councilmember Wood to approve [hiring a summer intern]. Motion seconded by Councilmember Reese. Councilmember Doutre stated that the Council hears nothing but good about the City's Recreation Department. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

Councilmember Doutre stated that the Women's Civic Club donated money for a handicap swing. The swing has been purchased but it hasn't been installed. She asked Zach LeFevre what the status was. Mr. LeFevre responded that it is on the list but they haven't been able to get to it.

8. Comments:

a. Administration/City Manager Advice and Consent.

1) Discussion and distribution of the draft 2014- 2015 Budget

Manager Warnke told the Council that the draft 2014-2015 Budget will be loaded on the City website in the next couple of days.

The Draft Staff Report describes what is in the budget and what is not, as well as all note worthy issues.

On May 20th a Public Hearing will be held to discuss the Budget in more depth at that time. One of the things that will also be discussed on May 20th is the health insurance renewal. Manager Warnke met with the City's Insurance Broker. They went out to bid, shopped the City's group, and found that if the City went with Select Health, the insurance renewal could be obtained for essentially the current rate.

The current provider, Altius, is using the IHC network so there should be little effect on the employees as a result of the change in providers (switching to Select Health).

Worker's Comp went up quite a bit. The City has had some rough years – something the Staff will be focusing on to bring the Worker's Comp claims to a better position. The Trust came up and did some training today.

The Budget also includes a COLA/Merit increase – 2% for COLA and 1% Merit. Manager Warnke read a publication from Zions Bank, and they estimate the cost of goods to increase by 1.8% along the Wasatch Front. That is included in the Staff Report.

The other thing to note is that the UTOPIA operational expense was included for \$72K. The \$72K is an estimated amount.

The chip and seal project is in the Budget along with some sidewalk and tree projects. A tree inventory was done and the Division of Natural Resources identified some dangerous trees – that because of the trees deterioration the tree could cause a hazard. Some of those trees would be removed.

The Capital Projects Fund proposes that the tennis courts be resurfaced in the amount of \$15K. They will also be striped to accommodate some pickleball use. It won't be regulation size/height of net for pickle ball but will provide a playable court. The cost to maintain the courts, once they are reconditioned, will be minimal – around \$3K- \$4K every three or four years.

The Council has authorized the submission of a purchase order for some police vehicles. The Budget also proposes that a Bio-solids Handling Project be done in the Wastewater Treatment Fund and also funding for a Wastewater Treatment Impact Fee Study.

The Budget does not include adding biologic capacity to the Wastewater Treatment Plant. That can be discussed further. The Budget does not include the Vactor truck for which was introduced to the Council. That is something that could be a consideration in future years. That Vactor truck would be used by all of the Utility Funds except the Wastewater Treatment Plant.

In order to do those projects in the Treatment Plant, some Fund Balance will need to be appropriated out of Fund 47. Because Fund 47 is in a negative position, fund balance from Fund 52 will be used from Fund 52 which is the Wastewater Treatment Plant Fund. Fund 47 is where the City keeps track of Impact Fees and the expense associated with impact fee eligible projects.

The Budget also includes in Fund 52 Wastewater Treatment Plan \$50K for aerator bearings and chain replacements as well as about \$380K for a compost front end loader and dump truck.

Manager Warnke stated that he hasn't had the opportunity to discuss the Proposed Budget with Finance Director Roberts who does a great job helping the Staff look into the long term financial position to get some recommendations and direction. Manager Warnke will try to do that between now and May 20th.

The Preliminary Budget will be adopted, and then the Final Budget will be adopted the second meeting in June. He asked the Council to let me know of any concerns as they review the Preliminary Budget.

- 2) Discussion or further discussion on items that were listed in the Workshop Agenda that might not have been discussed during the Workshop Session

The Branding proposal was not addressed in the Workshop, but it was decided that it will take some discussion and will be placed on the agenda for another meeting.

b. Council Reports:

Councilmember Rohde asked if delaying the UTOPIA decision would jeopardize the City's position. He was told that it would not. Councilmember Rohde suggested that a workshop be put together to discuss UTOPIA and how the proposal is going to be presented to the community, etc. It was decided for the Council to meet at 5:00 p.m. next Tuesday (May 13, 2014). It was also proposed that Item 7.I. from this evening's agenda be discussed at the same time.

Councilmember Wood reported that the Youth Council is going to wash the windows at the hospital at 7:00 a.m. this Saturday. Everyone is invited to come and help.

Councilmember Reese thanked Councilmember Holmgren and his crew for their work on planting trees at Library Park. It looks really nice.

Councilmember Doutre stated that she met with the Library Board and they have put together a list of activities. If anyone is interested in doing things with their kids there are a lot of things planned for the entire summer.

Councilmember Doutre said she also met with the Veteran's Committee. They are going to try to have all the maintenance done on the Veteran's Memorial at Midland Square done for Memorial Weekend. This will include updating the Veterans' plaques and the flags.

Motion by Councilmember Doutre to move to Closed Session for the purpose of discussing the purchase, exchange, or lease of real property. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

The Council moved into closed session at 8:18 p.m.

9. ***Closed session to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimate completing the transaction on the best possible terms***

Motion by Councilmember Holmgren to return to open meeting. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde, and Councilmember Wood - aye. Motion approved.

The Council returned to open session at 8:26 p.m.

10. Adjournment.

Motion by Councilmember Doutre to adjourn the meeting. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

The meeting adjourned at 8:27 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Norene Rawlings.

Dated this _____ day of _____, 2014.

Darlene S. Hess, Recorder